

MINUTE ITEM

This Calendar Item No. C31 was approved as Minute Item No. 31 by the California State Lands Commission by a vote of 3 to 0 at its 4-17-06 meeting.

CALENDAR ITEM

C31

A 8, 15

04/17/06

S 5

PRC 7906.1

T. Lipscomb

REVISION OF RENT

LESSEE:

Delta Gas Gathering, Inc.
2891 Gold Canal Drive
Rancho Cordova, CA 95670

AREA, LAND TYPE, AND LOCATION:

0.62 acres, more or less, of tide and submerged lands in the Sacramento River, near the town of Courtland, Sacramento and Yolo counties.

AUTHORIZED USE:

Continued use and maintenance of an existing six-inch diameter directionally bored welded steel natural gas pipeline.

LEASE TERM:

20 years, beginning August 15, 1996.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that the rent be revised from \$160 per year to \$206 per year, effective August 15, 2006.

OTHER PERTINENT INFORMATION:

1. On August 21, 1996, the Commission issued a twenty-year General Lease-Right of Way Use to Delta Gas Gathering, Inc. for the installation of a six-inch diameter directionally bored natural gas pipeline.
2. This pipeline is classified as a rural gathering line, and does not fall under the regulatory jurisdiction of any agency. Delta Gas Gathering, Inc., in a memo dated July 19, 2005, stated that the pipeline "was constructed, is operated, and maintained according to the regulations prescribed by the US Department of Transportation (49 CFR 192, Office of Pipeline Safety,

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RSPA) for optimum Safety and efficiency." This pipeline was hydro-tested November 10, 2004. The pipeline's cathodic corrosion protection system uses magnesium anodes at intervals along the pipeline corridor.

EXHIBIT:

A. Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

APPROVE THE REVISION OF RENT FOR LEASE NO. PRC 7906.1 FROM \$160 PER YEAR TO \$206 PER YEAR, EFFECTIVE AUGUST 15, 2006.

Location Map

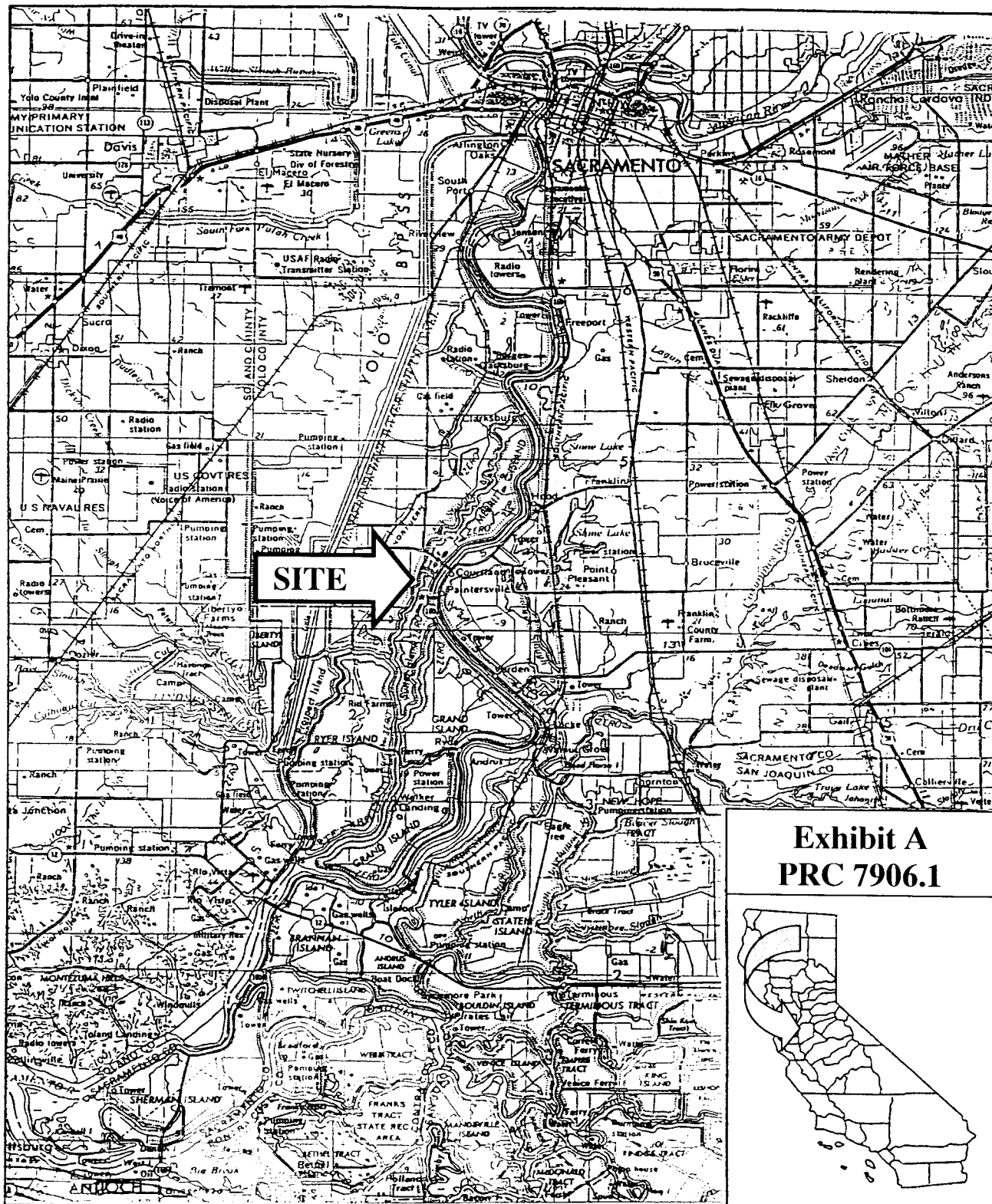


Exhibit A
PRC 7906.1

EXHIBIT CONSTRUCTED FROM USGS QUAD

This exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by Lessee or other parties, and is not intended to be, nor shall it be construed as, a waiver or limitation of any state interest in the subject or other property.